GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1722
ANSWERED ON:03.03.2003
FINANCIAL ASSISTANCE OF NCDC
KANTILAL BHURIA

Will the Minister of AGRICULTURE be pleased to state:

(a) whether risk free financial assistance of National Cooperative Development Corporation(NCDC) is provided through state Governments;

(b) whether interest rate payable on such risk free assistance is excessive in view of current falling interest rates;

(c) if so, whether Union Government would directly provide loan to the cooperatives at competitive interest rates; and

(d) if so, the measures being taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a): Yes, Sir.

(b): The lending rates of NCDC depend upon cost of borrowing and are reviewed from timeto time. The interest rates of NCDC have since been reduced with effect from 1.12.2002 and now the effective rates of interest on loans through State Governments is 11.5% per annum. These rates are quite competitive.

(c): No, Sir.

(d): Does not arise.